

# FIVE YEAR IMPLEMENTATION PLAN

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## LAKE FOREST REDEVELOPMENT AGENCY

2009-10 THROUGH 2013-14

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## **ABOUT THIS IMPLEMENTATION PLAN**

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In fulfillment of Article 16.5 of California Community Redevelopment Law ("CRL"), the Lake Forest Redevelopment Agency ("Agency") has prepared this Implementation Plan for the El Toro Redevelopment Project Area ("Project Area"). Included in this document are the Agency's anticipated redevelopment and affordable housing programs for 2009-10 through 2013-14.

Section 33490 of the CRL requires that the Implementation Plan include the following information:

- Specific goals and objectives of the Agency for the Project Area;
- The specific programs, including potential projects, and estimated expenditures proposed to be made during the next five years; and
- An explanation of how the goals and objectives, programs, and expenditures will eliminate blight within the Project Area and will improve and increase the supply of housing affordable to very low, low, and moderate income households.

The CRL also requires the Implementation Plan address the Agency's affordable housing production needs and achievements; these items are specifically addressed in the Updated Ten-Year Affordable Housing Compliance Plan, which is attached under a separate cover.

This Implementation Plan conforms to the City of Lake Forest's General Plan and has been prepared according to guidelines established in the programs and goals outlined in the Housing Element of the General Plan.

## **ABOUT REDEVELOPMENT**

### **What is Redevelopment?**

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Redevelopment is a process created to assist city and county governments in eliminating blight from a designated area and to achieve the desired development, reconstruction, and rehabilitation of residential, commercial, and industrial uses. Redevelopment agencies possess unique tools to directly influence the private sector, reduce investment risk, and create or boost market confidence. Some of the tools available to redevelopment agencies include:

- Use of tax increment financing to fund public improvements and use of gap financing to provide financial assistance to qualifying developers for qualifying projects.
- Authority to acquire real property.
- Relocation assistance and replacement housing.
- Mitigation of environmental liabilities to property owners and developers through the Polanco Act (CRL Sections 33459 - 33459.8).

Although these tools can jumpstart the revitalization process, by law, redevelopment is limited to areas of a city that are in a state of decline and are physically and economically blighted. To initiate redevelopment, the agency must satisfy certain requirements. These requirements are as follows:

- Establish a project area(s) in parts of a city that are physically and economically blighted.
- Establish debt as a prerequisite to the collection and expenditure of tax increment revenue.
- Set aside 20 percent of tax increment revenue to increase, improve, and preserve the supply of housing for low- and moderate-income persons and families.
- Ensure that at least 15 percent of all new and substantially rehabilitated dwelling units in the Project Area are affordable to, and occupied by, persons or families of very low, low, and moderate income.

If these requirements are satisfied, redevelopment agencies can use their tools to facilitate the revitalization of urban areas. Once redevelopment efforts establish momentum in the market, the private sector can then dictate its own course, thereby benefitting residents, business-owners, and visitors.

### **Role of Redevelopment**

In 1945, the State of California enacted the CRL to combat the deterioration of property and its effects on the tax base. Cities were given authorization to establish redevelopment agencies which would have the legal authority to encourage public/private partnerships to create opportunities for revitalization. In 1952, California voters adopted Article XVI, Section 16 allowing tax increment financing to be used by the agencies for the redevelopment of blighted communities. The goal of redevelopment to create safe and economically vibrant communities has remained steadfast since 1945.

## LAKE FOREST REDEVELOPMENT PROJECT AREA

### Five Year Implementation Plan 2009-10 through 2013-14

#### Tax Increment Financing

Tax increment financing is the primary source of funding used by agencies to initiate and oversee redevelopment projects and activities in a community. This financing method is based on the assumption that as an area is revitalized, more property tax will be generated. Upon adoption of a project area, the total current assessed value of all the properties within its boundaries is designated as the base year value (CRL Section 33328). As assessed values increase in the project area, tax increment revenue is generated by capturing the amount of value added since the base year value was established. This increase in tax revenue, or tax increment, is used by the agency for reinvestment back into the Project Area. The figure above graphically depicts the generation of tax increment in a project area.



#### 20 Percent Housing Set-Aside

As required by the CRL, 20 percent of tax increment revenue must be set aside into a separate Low and Moderate Income Housing Fund ("LMIHF") for the creation and preservation of affordable housing within the Project Area (CRL Section 33334.2). These funds may then be used for activities such as acquiring property, constructing on- and off-site improvements related to affordable housing development, constructing or rehabilitating affordable housing units, providing subsidies to ensure affordability, and issuing bonds. As a result of these requirements, redevelopment agencies are one of the primary entities producing affordable housing throughout the State of California.

#### Pass-Through Payments

Redevelopment agencies are also required to use tax increment revenue to remit payments to affected taxing agencies (e.g., school districts, community college districts, the County) in the Project Area (CRL Section 33328). These payments, known as "pass-throughs" alleviate any fiscal burden imparted on affected taxing entities caused by the redevelopment plan. The taxing entities benefitted by the pass-through payments include counties, cities, schools, and special districts. The CRL prescribes an allocation formula to calculate payments unless the Agency has negotiated pass-through agreements with the taxing entities.

## **ABOUT THE PROJECT AREA**

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The Project Area is located in southern Orange County and is predominantly within the limits of the City of Lake Forest. A portion of the Project Area is within the City of Laguna Hills. The 856-acre Project Area is located along 3.3 miles of El Toro Road, bound roughly by the Interstate 5 Freeway on the west, Los Alisos Boulevard on the south, Trabuco Road on the east and the northern property lines of the commercial property along El Toro Road. A map of the Project Area is included as Exhibit A.

On June 28, 1988, the Board of Supervisors of the County of Orange ("Board of Supervisors") adopted Ordinance No. 3720, establishing a redevelopment plan entitled the Development Plan ("NDAPP Plan") for the Orange County Neighborhood Development and Preservation Project Area ("NDAPP Area"). The Board of Supervisors later amended the NDAPP Plan in 1994 by Ordinance No. 3925 to comply with changes to the CRL instituted by Assembly Bill 1290. The NDAPP Area consisted of 14 separate and noncontiguous islands ("Subareas") within unincorporated portions of the County of Orange ("County"). One subarea fell substantially within the unincorporated territory that is now the City of Lake Forest (the "El Toro Redevelopment Project Area" or "Project Area").

The City of Lake Forest incorporated as a new city under the general laws of the State of California in December 1991. The City Council of the City of Lake Forest established the Lake Forest Redevelopment Agency on September 5, 1995 by adopting Ordinance No. 60. The purpose of establishing the Agency was to enable the City to gain control of the El Toro Project Area from the County, thereby allowing the City and Agency to facilitate the planning and revitalization of this area.

In May of 1996, the Agency and the City of Laguna Hills entered into an agreement authorizing the Agency to redevelop the Laguna Hills portion of the El Toro Project Area. On June 30, 1998, pursuant to Sections 33213 and 33216 of the CRL, the Agency and the County entered into an agreement transferring the jurisdiction of the El Toro Project Area, a subarea of the NDAPP, from the County to the Agency. The Project Area has been under the jurisdiction of the Agency since that time.

Long-term revitalization activities are guided by the Redevelopment Plan for the Project Area. The Redevelopment Plan has been amended three times since the last Implementation Plan was adopted. The first amendment, adopted pursuant to Senate Bill 1045 (CRL Section 33681.9), extended the term of effectiveness of the Redevelopment Plan and the time limit to receive tax increment by one year. The second amendment, adopted pursuant to Senate Bill 211 (CRL Section 33333.6(e)(2)), eliminated the time limit to incur debt. The third amendment adopted a statement describing the Agency's eminent domain authority as mandated by Senate Bill 53 (CRL Section 33342.7). Ordinance No. 169 details that the Agency does not have the power of eminent domain over properties within the Project Area.

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
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**Notable Timeframes**

**Table 1**

Redevelopment Plan	Adopted June 28, 1988 Expires June 28, 2029
Incur Indebtedness	Eliminated
Repay Indebtedness	June 28, 2039
Eminent Domain	None
Implementation Plan	2009-10 to 2013-14
Housing Compliance Plan (For affordable housing program planning)	2004-05 to 2013-14

This implementation plan focuses on specific redevelopment goals and programs sought for the next five years, from fiscal years 2009-10 to 2013-14. It is the Agency's third Implementation Plan for the Project Area. The first Implementation Plan covered the period of January 1, 2000 to December 31, 2004. The second Implementation Plan covered the period of fiscal year 2004-05 to 2008-09.

Redevelopment projects and programs in the Project Area have been varied, with emphasis on El Toro Road and the Arbor on El Toro. Recent accomplishments are highlighted in the following section.





## RECENT REDEVELOPMENT ACCOMPLISHMENTS

### The Public Value & Benefit of Redevelopment

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In the last five years, the Agency has championed many successful projects and programs in the Project Area to reach the goals and objectives of the last Implementation Plan. The results of these efforts are summarized below.

#### **Goal: Improve Public Infrastructure and Encourage Private Sector Investment**

##### Accomplishments:

- Completed the El Toro Road Traffic and Landscape Improvement Project
- Completed a storm drain project on El Toro Frontage Road
- Initiated Light Industrial Street Improvements
- Initiated design phases for street traffic calming and streetscape projects

#### **Goal: Address Traffic Circulation**

##### Accomplishments:

- Encouraged property owners to execute reciprocal access agreements to construct pedestrian and vehicular interconnections
- Negotiated reimbursement agreements for the construction of two traffic signals on Rockfield Boulevard located at the main entrances to the Orchard and the Home Depot retail shopping centers
- Approved a vehicular and a pedestrian interconnection between the Prothero Retail Center and the Orchard shopping center
- Completed construction of a corner gateway on El Toro Road and Rockfield Boulevard to create a pedestrian connection between El Toro Road to the Orchard shopping center

#### **A Neighborhood Story: The Arbor on El Toro**

The Arbor on El Toro is a state-of-the-art retail hub located in center of the Project Area. The City undertook a major reconstruction of El Toro Road within the commercial district located on both sides of the street. The commercial district was rebranded as the “The Arbor on El Toro”. The Agency assisted with the financing of the City’s share of the road reconstruction and entry way monuments. The Agency also acted as a facilitator, urging and working with property owners to redevelop their older strip shopping centers to complement and take advantage of the improved circulation and amenities provided by the City with the reconstruction of El Toro Road. The Arbor includes the Home Depot Office/Retail Center, the Prothero Retail Center, The Orchard at Saddleback, and other centers. It is home to a diverse range of tenants such as Ralph’s grocery, Lucille’s Smokehouse BBQ, Pier 1, Wachovia Bank, Coffee Bean & Tea Leaf, Chipotle Mexican Grill, and Wahoo’s Fish Tacos.



## LAKE FOREST REDEVELOPMENT PROJECT AREA

### Five Year Implementation Plan 2009-10 through 2013-14

#### **Goal: Facilitate Revitalization of Blighted Parcels**

##### Accomplishments:

- Updated Redevelopment Project Area Design Guidelines
- Purchased an undeveloped, 1.67 acre, parcel from the Orange County Transportation Authority and the adjacent “paper streets” and initiated an Opportunities and Constraints analysis to facilitate potential blight alleviation efforts
- Initiated the process to acquire a 7,000 square foot, tax-defaulted parcel from the County of Orange to reduce ongoing blighting conditions

#### **Goal: Improve Community Safety**

##### Accomplishments:

- Worked with the Orange County Sheriff's Department to organize bicycle patrols of parks, schools, and retail centers in the Project Area
- Initiated efforts with Police Services to reinvigorate the Business Watch Program to provide security audits to local businesses

#### **Goal: Develop Commercial Opportunities**

##### Accomplishments:

- Encouraged new commercial development by partnering with the City to sponsor a multi-million dollar public infrastructure project to widen El Toro Road which facilitated the construction of three new shopping centers
- Worked with developers to facilitate the planning, design, and construction of three new shopping centers on El Toro Road; the Orchard Shopping Center, the Home Depot Center Retail/Office Center, and the Prothero Retail Center
- Negotiated and executed an Operating and Maintenance Covenant Agreement with the owner of the Prothero shopping center to restrict certain uses and ensure long-term maintenance
- Initiated discussions with the Library to make site and elevation improvements

#### **Goal: Expand Resources for Land Development**

##### Accomplishments:

- Encouraged centralized commercial development of five separate parcels for the redevelopment of the Saddleback Valley Plaza shopping center
- Conducted outreach to property owners and tenants to initiate guidelines for a Commercial Façade Rehabilitation Program

#### **Goal: Increase and Improve the Community's Supply of Affordable Housing**

##### Accomplishments:

- Revised program guidelines for the Housing Rehabilitation and Loan Program to allow the use of housing set-aside funding to assist low to medium income households
- Negotiated an agreement with Families Forward to provide transitional housing services to the local community
- Coordinated Neighborhood Pride Paint Activities to preserve the appearance of affordable housing stock in the City

## LAKE FOREST REDEVELOPMENT PROJECT AREA

### Five Year Implementation Plan 2009-10 through 2013-14

#### **Goal: Study Land Use and Development Opportunities in the Light Industrial Area**

##### Accomplishments:

- Completed a Land Use Market Evaluation Report to determine potential opportunities for additional land uses within the Light Industrial area
- Adopted an Action Plan for the Light Industrial Area (“LIA”) that provides a series of immediate and long-term revitalization strategies through both public and private reinvestment and initiated implementation

#### **Goal: Diversify and Expand Economic Base and Employment Opportunities**

##### Accomplishments:

- Introduced an expanded Business Development and Attraction program; a comprehensive marketing and advertising business outreach program that includes business resource guides, newsletters, and brochures
- Sponsored, organized, and promoted special events to celebrate the revitalization of the City’s newest shopping centers (“Exploration Day in the Arbor”)
- Introduced a ‘Shop and Dine Lake Forest’ campaign to promote local businesses
- Launched a new Economic Development Website to promote business growth and expansion in the City



*Exploration Day in the Arbor, 2008*

*Exploration Day in the Arbor, 2009  
El Toro High School Band*



## REDEVELOPMENT GOALS

### Community Reinvestment and Revitalization

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The goals and objectives of the Implementation Plan are presented below. These goals have been developed to address the blighting conditions present in the Project Area in an attempt to ensure that the projects and programs identified in this Plan effectively utilize the Agency's resources to eliminate blight.



ACCESS

#### **Improve Public Infrastructure and Encourage Private Sector Investment.**

Provide a broad range of public infrastructure improvements to correct any deficiencies that may exist and to induce private investment in the Project Area. Improve Public Infrastructure and Public Facilities within Project Area that are needed to facilitate redevelopment of the Project Area.



GO

#### **Address Traffic Circulation and Encourage Interconnections Among Commercial Shopping Centers.**

Encourage enhanced access for traffic flow between the commercial properties located along El Toro Road by further interconnecting driveways between commercial centers. Additionally, improve traffic circulation and streetscapes through the reconstruction and improvement



REVITALIZE

**Facilitate Revitalization Of Blighted Parcels.** Address blighted property by providing revitalization and rehabilitation programs.



REVITALIZE

**Pursue Development and Revitalization Opportunities in the Light Industrial Area.** Implement the Revitalization Action Plan and pursue public/private partnerships to promote and facilitate revitalization.



PROTECT

**Improve Community Safety.** Enhance public safety and welfare by providing improved community service and/or facilities.



INVEST

**Develop Commercial Opportunities.** Promote the preservation, improvement and expansion of commercial land uses within the Project Area. Promote new commercial development in the Project Area.



GROW

**Expand Resources for Land Development.** Remove economic impediments to new development in areas not properly subdivided through the consolidation of existing parcels. Encourage centralized commercial development while recognizing that small, irregular sized parcels and fractured ownership often hinder revitalization and the full utilization of properties, and make it much more difficult to meet modern site design standards.



WORK

**Diversify and Expand Economic Base and Employment Opportunities.** Expand economic base and employment opportunities within the Project Area as well as encourage Private Sector Investments.



**Increase and Improve the Community's Supply Of Affordable Housing.**  
Preserve, improve and expand housing opportunities for low and moderate-income residents.



# LAKE FOREST REDEVELOPMENT PROJECT AREA

## Five Year Implementation Plan 2009-10 through 2013-14







### PROPOSED REDEVELOPMENT PROGRAM

#### Five Year Work Program for Reinvestment & Revitalization

The following represents programs and projects that may be implemented by the Agency over the next five years. The list below describes the projects proposed, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved<sup>1</sup>.

PROPOSED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14

TABLE 2







Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>Commercial Rehabilitation / Revitalization</b>	Work cooperatively with property and business owners to rehabilitate and revitalize commercial properties. Consider public/private partnerships on a case-by-case and as-needed basis to facilitate rehabilitation and revitalization.	2009-10 to 2013-14	Dilapidation and Deterioration	\$1,500,000	    REVITALIZE GROW INVEST WORK
<b>Jeronimo Traffic and Landscape Improvements Phase I</b>	Implement traffic calming and traffic congestion relief enhancements and construct parkway landscaping improvements and raised landscape median islands along Jeronimo Road, between El Toro Road and Los Alisos Boulevard.	2009-10	Inadequate Public Improvements	\$900,000	  GO REVITALIZE

<sup>1</sup> Costs are subject to change, and completion of these projects may require future action by the Agency.

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
**Five Year Implementation Plan 2009-10 through 2013-14**

**PROPOSED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**







**TABLE 2**

Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>Rockfield Boulevard Streetscape Project</b>	Implement traffic calming and traffic congestion relief enhancements and construct parkway landscaping improvements and raised landscape median islands along Rockfield Boulevard between El Toro Boulevard and Los Alisos Boulevard.	2009-10	Inadequate Public Improvements	Unknown	  REVITALIZE
<b>El Toro Road Phase I Traffic and Landscape Improvements</b>	Implement traffic calming and traffic congestion relief enhancements and construct parkway landscaping improvements and raised landscape median islands along El Toro Road, between Muirlands and Jeronimo; and construct a bus shelter structure on the south side of El Toro Road near Freedom Village.	2009-10 to 2013-14	Inadequate Public Improvements	\$638,500	  REVITALIZE
<b>El Toro Road Monument Sign &amp; Enhanced Lighting</b>	Consider new public signage and enhanced lighting as may be desired and funding allows.	2009-10 to 2013-14	Inadequate Public Improvements	Unknown	  ACCESS REVITALIZE

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
**Five Year Implementation Plan 2009-10 through 2013-14**

**PROPOSED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**

**TABLE 2**








Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>Light Industrial Area Street Improvements</b>	Design and construct improvements to provide missing pavement, curb and gutter, and sidewalks to improve water quality, aesthetics, and pedestrian access on Front Street, Orange Avenue, and Whisler Drive.	2009-10 to 2010-11	Inadequate Public Improvements	\$255,264	 ACCESS  REVITALIZE
<b>El Toro Branch Library Improvements</b>	Explore a partnership with the Orange County Public Library to construct a series of improvements at the El Toro Library to provide a pedestrian interconnection with shopping centers, landscaping and fencing, and improve library/building elevations.	2009-10	Inadequate Public Improvements	Unknown	 ACCESS  REVITALIZE
<b>Police Substation</b>	As the need may arise, evaluate options and provide a police substation to better serve residents living in the City and RDA project area.	2009-10 to 2013-14	Inadequate Public Improvements	Unknown	 PROTECT
<b>Improvements to Parks in the Project Area</b>	As funds allow and needs dictate, consider Agency funding for improvements to public parks and facilities in the Project Area	2009-10 to 2013-14	Inadequate Public Improvements	Unknown	 ACCESS



**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
**Five Year Implementation Plan 2009-10 through 2013-14**

**PROPOSED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**




**TABLE 2**

Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>Redevelopment of 2.67 Acre Agency Parcel</b>	Explore public and private development options for this parcel located adjacent to the railroad tracks.	2009-10	Irregular Lots, Blighted Property	\$25,000	 REVITALIZE  GROW
<b>Redevelopment of 0.14 Acre Agency Parcel (tax default purchase is pending)</b>	Explore public and private development options for this parcel on the north side of El Toro Road, south of Jeronimo Road.	2009-10	Irregular Lots	\$25,000	 REVITALIZE  GROW
<b>Light Industrial Area Revitalization</b>	Implement the Revitalization Action Plan by considering public/private partnerships on a case-by-case basis to make improvements in the Light Industrial Area on either public or private property.	2009-10 to 2010-11	Dilapidation & Deterioration, Irregular Lots	\$600,000	 REVITALIZE
<b>Commercial Façade Rehabilitation Loans</b>	Promote the rehabilitation of blighted commercial buildings, bring non-conforming building elements into conformance with City's municipal codes, and provide a mechanism for business revitalization. The program will provide incentivized loans or grants on a case by case basis.	2009-10 to 2013-14	Dilapidation & Deterioration	\$1,275,000	 REVITALIZE  INVEST

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
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**PROPOSED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**

**TABLE 2**

Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>Interconnect Projects</b>	As part of the City's efforts to attract shoppers and improve access to the El Toro Road commercial corridor, the Agency is encouraging property owners to build interconnections between shopping centers. Agency staff has implemented a program to contact property owners and tenants to discuss the importance of creating improved access between centers. The interconnections will allow shoppers to travel from one center to another without experiencing the inconvenience and traffic that occurs when entering and exiting El Toro Road.	2009-10 to 2013-14	Inadequate Public Improvements	Unknown	 ACCESS  INVEST
<b>Operations &amp; Activities, ERAF, Taxing Agency &amp; Laguna Hills Payments</b>	Annual funding of ongoing operations and redevelopment activities will continue over the next five years. Contractual and statutory payments to Project Area Taxing Agencies will be made. The Agency may be required to make a Supplemental Revenue Augmentation Fund (SERAF) payment subject to appeal of state legislation. Additionally, payments of Laguna Hills portion of tax increment revenues will be funded.	2009-10 to 2013-14	Physical and Economic Blight	Unknown	 REVITALIZE
<b>Total Preliminary Cost Estimate</b>				<b>\$5,218,764</b>	

# LAKE FOREST REDEVELOPMENT PROJECT AREA



## Five Year Implementation Plan 2009-10 through 2013-14

### CDBG FUNDED PROJECTS AND PROGRAMS

Over the next five years, the Agency also plans to use CDBG monies to fund both housing and non-housing projects and programs in the Project Area. The list below describes the previously approved projects and proposed projects, what blighting conditions would be eliminated, approximate costs, and the Redevelopment Plan goals that would be achieved. All projects and programs are subject to availability of funding.

**PROPOSED CDBG FUNDED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**




**TABLE 3**

Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>ADA Access Ramp Improvements Phase IV</b>	<p>The funding supports the City's ongoing and current efforts to reconstruct existing ramps to comply with the most recent Federal Americans with Disabilities Act (ADA) requirements. Wheelchair access ramps are located at nearly all major intersections in the City. Although these ramps were constructed to meet all applicable standards in effect at the time of their original construction, many of these ramps are now 20 - 25 years old and do not comply with current ADA requirements.</p> <p>City eligibility for future federal funding through OCTA and AHRP (Arterial Highway Resurfacing Program) requires that ramps adjacent to construction be compliant and that the City successfully pass the Federal Audit review.</p>	<b>2009-10 to 2013-14</b>	<b>Inadequate Public Improvements</b>	<b>\$133,857 (CDBG)</b>	 PROTECT  ACCESS

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
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**PROPOSED CDBG FUNDED PROJECTS & PROGRAMS 2009-10 THROUGH 2013-14**

**TABLE 3**

Project Name	Description	Timeframe	Blighting Condition Addressed	Preliminary Cost Estimates	Goals Achieved
<b>'08 El Toro Park Improvement Project</b>	The City previously approved and identified El Toro Park for improvements that include ADA compliant Park Playground Equipment and an outdoor park fitness center. The proposed equipment for the fitness center utilizes a person's body weight as resistance. The installation of the equipment will be outdoors at the park and provides an opportunity for neighborhood residents to exercise with equipment for free, as well as encourages social interaction. The project was approved in 2008/09 but will be undertaken during 2009/10.	<b>2009-10 to 2013-14</b>	<b>Inadequate Public Improvements</b>	<b>471,086 (CDBG)</b>	 <b>ACCESS</b>
<b>Public Service Grants</b>	Annual federal allocations are provided to non profit organizations for social service activities such as food distribution, advocacy/counseling, senior and youth programs, and health care services.	<b>2009-10 to 2013-14</b>	<b>Inadequate Public Improvements</b>	<b>350,000 (CDBG)</b>	 <b>PROTECT</b>  <b>ACCESS</b>
<b>Total Preliminary CDBG Cost Estimate</b>				<b>\$954,943</b>	

## **NON-HOUSING CASH FLOW**

### **Five Year Work Plan Budget**

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Table 4 presents the Agency's five-year projected cash flow for non-housing redevelopment activities in the Project Area during the 2009-10 through 2013-14 planning period. The tax increment revenue figures provided are the amount of gross tax increment expected less withholdings by the County for pass through payments, administrative fees, and debt service. The Agency will be a funding partner with the City on infrastructure improvements, as cash flow allows, while leaving sufficient funds for revitalization of commercial properties, as well as other activities related to the library and the Light Industrial Area. The Agency will also leave sufficient funds for making SERAF payments that may be required (discussed below).

Due to the fact that the Project Area was formerly a County redevelopment project area prior to the City's incorporation, it remains a subset of the County's redevelopment project areas. Tax increment flows from the County to the Agency. As a result, tax increment revenues received each fiscal year are based on prior year assessed values. For example, tax increment received in Fiscal Year 2009-10 is based upon Fiscal Year 2008-09 assessed values. Therefore, the tax increment revenues reported in Table 4 for Fiscal Years 2009-10 and 2010-11 are based on actual assessed values. The Project Area's assessed value decreased by 13 percent from 2008-09 to 2009-10. The projections for future years take current economic conditions into account and apply conservative growth rates. The figures presented are subject to change due to fluctuations in the local economy and a potential State take of redevelopment funds. The State may reassess property values in the Project Area over the next several months to be lower, which would lead to a decline in tax increment. The Agency will be monitoring the local economy closely over the next five year period to take market conditions into account when planning its projects and programs.

Due to the State's effort to take redevelopment funds to balance the State Budget, the Agency may be required to make Educational Revenue Augmentation Fund ("ERAF") payments during the planning period. In Fiscal Year 2008-09, the State of California approved a budget contingent upon a \$350 million shift of tax increment monies from redevelopment agencies to be applied to ERAF. This amounted to a \$248,786 payment from the Agency to fund the ERAF shift. The California Redevelopment Association filed a lawsuit on behalf of all redevelopment agencies asserting that the take from redevelopment was unconstitutional based on the CRL. On April 30, 2009 a judgment in favor of redevelopment agencies was rendered, affirming that the take was unconstitutional and therefore illegal.

Following this judgment, the State of California approved the Fiscal Year 2009-10 budget egregiously relying on a \$2.05 billion ERAF shift from redevelopment agencies over the next two years. The additional shift to ERAF (now called SERAF) is estimated to result in a payment of \$1,208,391 in 2009-2010, and \$248,786 in 2010-2011 from the Agency. While the California Redevelopment Association believes this shift of tax increment from redevelopment falls under the same circumstances as the previous attempt, the Agency potentially could lose up to \$1.5 million to SERAF shifts over the next two years. This shift of dollars from redevelopment could severely impact the Agency's ability to complete many of the projects both committed and anticipated over the next five year period. The California Redevelopment Association filed another lawsuit in October 2009 in an effort to thwart this and future takes from redevelopment.

# LAKE FOREST REDEVELOPMENT PROJECT AREA

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As recommended by the California Redevelopment Association, the potential SERAF shift is not shown in the cash flow below, however the Agency will make the payments if required by law.

FIVE YEAR CASH FLOW FORECAST - DEBT SERVICE (NON-HOUSING) FUND						TABLE 4
FISCAL YEAR	2009-10	2010-11	2011-12	2012-13	2013-14	5-Year Total
Beginning Balance	\$3,200,465	\$2,828,672	\$2,861,041	\$2,598,304	\$2,297,034	
<b>REVENUES</b>						
Tax Increment	\$5,400,836	\$4,660,052	\$4,536,541	\$4,536,541	\$4,701,472	
Interest	\$130,000	\$64,000	\$80,000	\$92,000	\$103,000	
<b>TOTAL REVENUES</b>	<b>\$5,530,836</b>	<b>\$4,724,052</b>	<b>\$4,616,541</b>	<b>\$4,628,541</b>	<b>\$4,804,472</b>	<b>\$24,304,443</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$8,731,301</b>	<b>\$7,552,725</b>	<b>\$7,477,582</b>	<b>\$7,226,845</b>	<b>\$7,101,506</b>	
<b>EXPENDITURES</b>						
Housing Set Aside	\$990,152	\$840,948	\$816,161	\$816,161	\$849,422	\$4,312,844
Pass Through/Laguna Hills Payments	\$1,585,118	\$1,774,445	\$1,612,624	\$1,612,624	\$1,688,061	\$8,272,873
SB211 Payments	\$24,759					\$24,759
Interest Expense (City Loan)	\$51,300	\$51,300	\$51,300	\$51,300	\$51,300	\$256,500
COP Payments	\$522,200	\$545,268	\$548,828	\$547,178	\$545,143	\$2,708,615
<b>Agency Operating Expenses</b>						
Personnel (Including Other Departments)	\$540,400	\$556,612	\$573,310	\$590,510	\$608,225	\$2,869,057
Non-Personnel	\$84,700	\$87,241	\$89,858	\$92,554	\$95,331	\$449,684
<b>Projects</b>						
Professional Services	\$229,000	\$235,870	\$242,946	\$250,234	\$257,742	\$1,215,792
El Toro Road Strategic Planning	\$100,000					\$100,000
<b>Capital Projects</b>						
Agency Parcel Study/Development	\$50,000					\$50,000
Commercial Façade Rehab Loans	\$325,000	\$200,000	\$225,000	\$250,000	\$275,000	\$1,275,000
Commercial Rehabilitation/Revitalization	\$500,000	\$250,000	\$250,000	\$250,000	\$250,000	\$1,500,000
El Toro Library Improvements*	Unknown					Unknown
Interconnect Projects	Unknown					Unknown
Light Industrial Area Revitalization		\$150,000	\$150,000	\$150,000	\$150,000	\$600,000
Police Substation*	Unknown					Unknown
El Toro Road Signage & Lighting	Unknown					Unknown
El Toro Road Streetscape - Phase I*			\$319,250	\$319,250		\$638,500
Jeronimo Median/Streetscape	\$900,000					\$900,000
Rockfield Boulevard Streetscape*	Unknown					Unknown
Improvements to Parks in the Project Area	Unknown					Unknown
Light Industrial Area Street Improvements**						
<b>TOTAL EXPENDITURES</b>	<b>\$5,902,629</b>	<b>\$4,691,684</b>	<b>\$4,879,278</b>	<b>\$4,929,811</b>	<b>\$4,770,222</b>	<b>\$25,173,624</b>
<b>Surplus/(Deficit) of Revenues over Expenditures</b>	<b>(\$371,793)</b>	<b>\$32,369</b>	<b>(\$262,737)</b>	<b>(\$301,270)</b>	<b>\$34,250</b>	
<b>ENDING BALANCE</b>	<b>\$2,828,672</b>	<b>\$2,861,041</b>	<b>\$2,598,304</b>	<b>\$2,297,034</b>	<b>\$2,331,284</b>	

\*Not currently budgeted

\*\*Funding for this project is being carried over from prior years and is reflected in the beginning balance. Of the \$350,000 originally allocated for the project, \$255,264 is remaining and will be spent over the next five years.

Source: Lake Forest Redevelopment Agency

Lake Forest Redevelopment Agency

Revised draft based upon adjusted TI Projections

**LAKE FOREST REDEVELOPMENT PROJECT AREA**  
**Five Year Implementation Plan 2009-10 through 2013-14**

<b>FIVE YEAR CASH FLOW FORECAST - DEBT SERVICE (NON-HOUSING)</b>							<b>TABLE 4</b>
<b>FUND</b>	<b>FISCAL YEAR</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>5-Year Total</b>
<b>Beginning Balance</b>		<b>\$3,200,465</b>	<b>\$2,828,672</b>	<b>\$2,861,041</b>	<b>\$2,598,304</b>	<b>\$2,297,034</b>	-
-		-	-	-	-	-	-
<b>REVENUES</b>							-
Tax Increment		<b>\$5,400,836</b>	<b>\$4,660,052</b>	<b>\$4,536,541</b>	<b>\$4,536,541</b>	<b>\$4,701,472</b>	-
Interest		<b>\$130,000</b>	<b>\$64,000</b>	<b>\$80,000</b>	<b>\$92,000</b>	<b>\$103,000</b>	-
<b>TOTAL REVENUES</b>		<b>\$5,530,836</b>	<b>\$4,724,052</b>	<b>\$4,616,541</b>	<b>\$4,628,541</b>	<b>\$4,804,472</b>	<b>\$24,304,443</b>
-		-	-	-	-	-	-
<b>TOTAL FUNDS AVAILABLE</b>		<b>\$8,731,301</b>	<b>\$7,552,725</b>	<b>\$7,477,582</b>	<b>\$7,226,845</b>	<b>\$7,101,506</b>	-
-		-	-	-	-	-	-
<b>EXPENDITURES</b>							-
Housing Set Aside		<b>\$990,152</b>	<b>\$840,948</b>	<b>\$816,161</b>	<b>\$816,161</b>	<b>\$849,422</b>	<b>\$4,312,844</b>
Pass Through/Laguna Hills Payments		<b>\$1,585,118</b>	<b>\$1,774,445</b>	<b>\$1,612,624</b>	<b>\$1,612,624</b>	<b>\$1,688,061</b>	<b>\$8,272,873</b>
SB211 Payments		<b>\$24,759</b>	-	-	-	-	<b>\$24,759</b>
Interest Expense (City Loan)		<b>\$51,300</b>	<b>\$51,300</b>	<b>\$51,300</b>	<b>\$51,300</b>	<b>\$51,300</b>	<b>\$256,500</b>
COP Payments		<b>\$522,200</b>	<b>\$545,268</b>	<b>\$548,828</b>	<b>\$547,178</b>	<b>\$545,143</b>	<b>\$2,708,615</b>
-		-	-	-	-	-	-
<b>Agency Operating Expenses</b>							-
Personnel (Including Other Departments)		<b>\$540,400</b>	<b>\$556,612</b>	<b>\$573,310</b>	<b>\$590,510</b>	<b>\$608,225</b>	<b>\$2,869,057</b>
Non-Personnel		<b>\$84,700</b>	<b>\$87,241</b>	<b>\$89,858</b>	<b>\$92,554</b>	<b>\$95,331</b>	<b>\$449,684</b>
-		-	-	-	-	-	-
<b>Projects</b>							-
Professional Services		<b>\$229,000</b>	<b>\$235,870</b>	<b>\$242,946</b>	<b>\$250,234</b>	<b>\$257,742</b>	<b>\$1,215,792</b>
El Toro Road Strategic Planning		<b>\$100,000</b>	-	-	-	-	<b>\$100,000</b>
-		-	-	-	-	-	-
<b>Capital Projects</b>							-
Agency Parcel Study/Development		<b>\$50,000</b>	-	-	-	-	<b>\$50,000</b>
Commercial Façade Rehab Loans		<b>\$325,000</b>	<b>\$200,000</b>	<b>\$225,000</b>	<b>\$250,000</b>	<b>\$275,000</b>	<b>\$1,275,000</b>
Commercial Rehabilitation/Revitalization		<b>\$500,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$250,000</b>	<b>\$1,500,000</b>
El Toro Library Improvements*		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
Interconnect Projects*		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
Light Industrial Area Revitalization*		-	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$150,000</b>	<b>\$600,000</b>
Police Substation*		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
-		-	-	-	-	-	-
El Toro Road Signage & Lighting*		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
El Toro Road Streetscape - Phase I*		-	-	<b>\$319,250</b>	<b>\$319,250</b>	-	<b>\$638,500</b>
Jeronimo Median/Streetscape		<b>\$900,000</b>	-	-	-	-	<b>\$900,000</b>
Rockfield Boulevard Streetscape*		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
Improvements to Parks in the Project Area		<b>Unknown</b>	-	-	-	-	<b>Unknown</b>
Light Industrial Area Street Improvements**		-	-	-	-	-	-
-		-	-	-	-	-	-
<b>TOTAL EXPENDITURES</b>		<b>\$5,902,629</b>	<b>\$4,691,684</b>	<b>\$4,879,278</b>	<b>\$4,929,811</b>	<b>\$4,770,222</b>	<b>\$25,173,624</b>
-		-	-	-	-	-	-
<b>ENDING BALANCE</b>		<b>\$2,828,672</b>	<b>\$2,861,041</b>	<b>\$2,598,304</b>	<b>\$2,297,034</b>	<b>\$2,331,284</b>	-

\*Not currently included in the Agency's budget.

## LAKE FOREST REDEVELOPMENT PROJECT AREA

### Five Year Implementation Plan 2009-10 through 2013-14

\*\*Funding for this project is being carried over from prior years and is reflected in the beginning balance. Of the \$350,000 originally allocated for the project, \$255,264 is remaining and will be spent over the next five years. Construction is scheduled during FY 2009-10.

Source: Lake Forest Redevelopment Agency



## ADMINISTRATION OF THE IMPLEMENTATION PLAN

### Future Actions

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As detailed in the introduction, the Agency is required to produce an Implementation Plan every five years. After adoption of the first implementation plan, a new plan is to be adopted every five years either in conjunction with the housing element cycle or the implementation plan cycle.

### Implementation Plan Adoption Process

Each Implementation Plan must be presented and adopted at a duly noticed public hearing of the Agency. Notice of the public hearing must be conducted pursuant to this Section 33490 of the CCRL. The notice must be published pursuant to Section 6063 of the Government Code, mailed at least three weeks in advance to all persons and agencies that have requested notice, and posted in at least four permanent places within the Project Area for a period of three weeks. Publication, mailing, and posting shall be completed not less than 10 days prior to the date set for hearing.

The Agency may amend the implementation plan at any time after conducting a public hearing on the proposed amendment.

### Mid-Term Implementation Plan Review Process

At least once within the five-year term of this Implementation Plan, the Agency must conduct a public hearing and hear testimony of all interested parties for the purpose of reviewing the redevelopment plan and the corresponding implementation plan for each redevelopment project. This hearing must take place no earlier than two years and no later than three years after the adoption of the Implementation Plan.



Lake Forest Redevelopment Agency  
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Adopted \_\_\_\_\_, 2009